United States Department of

COMMERCE NEWS

Washington, D.C. 20230

ECONOMICS
AND
STATISTICS
ADMINISTRATION

Bureau of the Census
Bureau of Economic Analysis

This release contains sensitive economic data not to be released before 8:30 a.m. Tuesday, March 20, 2001

CB-01- 48 **Press Copy**
FT-900 (01-01)

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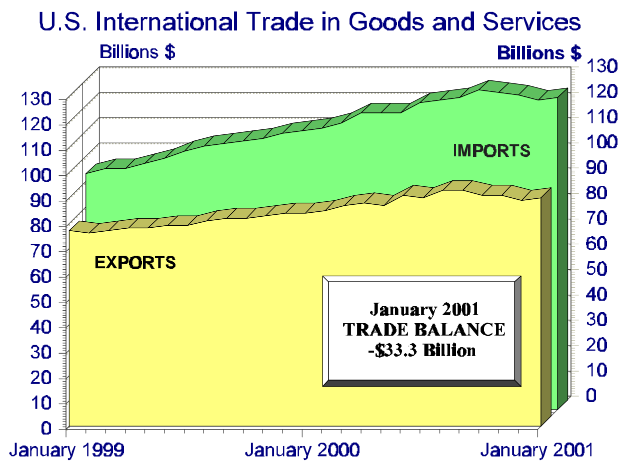
U.S. INTERNATIONAL TRADE IN GOODS AND SERVICES
January 2001

Goods and Services

The Bureau of the Census and the Bureau of Economic Analysis, through the Department of Commerce, announced today that total January exports of **$89.7 billion** and imports of **$122.9 billion** resulted in a goods and services deficit of **$33.3 billion**, $0.1 billion more than the $33.2 billion in December, revised. January exports were $0.4 billion more than December exports of $89.2 billion. January imports were $0.5 billion more than December imports of $122.4 billion.



In January, the goods deficit decreased $0.1 billion from December to $39.5 billion, and the services surplus decreased $0.1 billion to $6.2 billion. Exports of goods increased to $64.7 billion from $64.1 billion, and imports of goods increased to $104.2 billion from $103.7 billion. Exports of services decreased to $24.9 billion from $25.1 billion, and imports of services were virtually unchanged at $18.7 billion.

Goods

The December to January change in exports of goods reflected increases in *capital goods* ($1.0 billion) and *consumer goods* ($0.3 billion). Decreases occurred in *automotive vehicles, parts, and engines* ($0.5 billion) and *industrial supplies and materials* ($0.1 billion). *Foods, feeds, and beverages* and *other goods* were virtually unchanged.

The December to January change in imports of goods reflected increases in *consumer goods* ($1.3 billion); *automotive vehicles, parts, and engines* ($0.2 billion); *industrial supplies and materials* ($0.2 billion); *foods, feeds, and beverages* ($0.2 billion) and *other goods* ($0.1 billion). A decrease occurred in *capital goods* ($1.5 billion).

Services

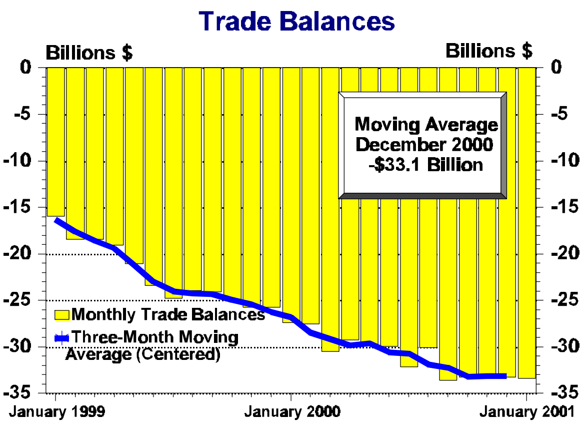
Note: Total goods are reported on a balance of payments basis; commodity and country detail for goods are on a Census basis. Definitions are explained in the notes starting on page 26 of this release.

Services exports decreased $0.1 billion from December to January. The decrease was more than accounted for by small decreases in *other private services* (such as business, professional, and technical services and financial services) and *travel*. Changes in the other categories of services exports were small and nearly offsetting.

Services imports in January were virtually the same as in December. Decreases in *travel* and *passenger fares* were nearly offset by increases in *other private services* and *other transportation*.

Goods and Services Moving Average

For the three months ending in January, exports of goods and services averaged $89.9 billion, while imports of goods and services averaged $123.0 billion, resulting in an average trade deficit of $33.1 billion. For the three months ending in December, the average trade deficit was $33.1 billion, reflecting average exports of $90.5 billion and average imports of $123.6 billion.



Selected Not Seasonally Adjusted Goods Details

The January figures showed surpluses, in billions of dollars, with Australia $0.3 (for December $0.5), Argentina $0.1 ($0.1), Egypt $0.1 ($0.2), Hong Kong $0.1 ($0.6), and Brazil virtually zero ($0.3). Deficits were recorded, in billions of dollars, with China -$7.2 (-$6.1), Japan -$5.9 (-$6.1), Canada -$5.8 (-$5.7), Western Europe -$5.6 (-$3.6), OPEC -$4.2 (-$4.3), Mexico -$2.1 (-$2.0), Korea -$1.4 (-$1.3), Taiwan -$1.2 (-$1.2), and Singapore -$0.1 (virtually zero).

Advanced technology products (ATP) exports were $18.4 billion in January and imports were $17.7 billion, resulting in a surplus of $0.7 billion. January exports were $2.6 billion less than the $21.0 billion in December, while imports were $1.8 billion less than the $17.7 billion in December.

Revisions

Goods carry-over in January was $0.6 billion (1.0 percent) for exports and $1.0 billion (1.0 percent) for imports. For December, revised export carry-over was $0.3 billion (0.5 percent), revised down from $0.5 billion (0.5 percent). For December, revised import carry-over was $0.4 billion (0.4 percent), revised down from $1.4 billion (1.4 percent).

Services exports and imports for July through December 2000 were revised to incorporate revisions to BEA's quarterly U.S. international transactions accounts (ITA's), which were released March 15 (see page 29 for the monthly revision policy). The revised quarterly and monthly estimates are based on more complete source data than were available previously. For services exports, the largest revisions were in *other private services*. For services imports, the largest revisions were in *travel*, *royalties and license fees*, and *other private services*. In addition, all months of 2000 were revised in order to align the seasonally adjusted monthly estimates with the quarterly and annual totals in the ITA's.

For December, services exports were revised up $0.2 billion; the revision was more than accounted for by a revision in *other private services*. Services imports were virtually unrevised, as upward revisions in *royalties and license fees* and *direct defense expenditures* were nearly offset by downward revisions in *travel* and *other private services*.

NOTICES

December 2000 Goods Revision

While processing the January 2001 statistics, the U.S. Census Bureau discovered an error in the assignment to the proper month of export transactions that were processed from paper documents. We identified $795 million in export shipments to Mexico that were misassigned to December 2000. The export shipment records filed electronically with the U.S. Customs Service and the Census Bureau were assigned correctly.

With this release, the Bureau has revised December 2000 to remove these export transactions and has included them in January 2001. All exhibits have been revised to show the corrected figures.

End-use Commodity Classification Reassignments

Effective with this release, the Bureau of Economic Analysis and the U.S. Census Bureau have made significant reassignments for a few commodities in the End-use Classification System. Some commodities have been reassigned within their category groupings (1-digit level), while others have been reassigned to different category groupings. The reassignments were performed to achieve a consistent classification between exports and imports, and were also based on recommendations from the Bureau of Economic Analysis, the U.S. Census Bureau, and other federal agencies and were based on new information for specific commodities.

Major reassignments to both goods exports and goods imports included cellular telephones which were reclassified from telecommunications equipment in capital goods to other household goods in consumer goods. Also, off-road construction trucks were reclassified from automotive vehicles, parts and engines to materials handling equipment in capital goods. A few commodities were reclassified within foods, feeds, and beverages to align agricultural and nonagricultural products with recommendations from the U.S. Department of Agriculture.

Data on the reclassified basis are shown for January 2001 in Exhibits 6, 7, 8, 10, and 13. Detailed five digit End-use commodities and groupings are found in Exhibits 7 and 8. Historical data will appear in the FT-900 release of June 21, and in the Annual Revision for 2000, which is also released on June 21.

NOTICE

Request for User Comments

The U.S. Census Bureau is considering converting the constant dollar data presented in Exhibits 10 and 11 of this release from a fixed-weighted basis to a chain-weighted basis, using the Fisher Ideal Formula used by the Bureau of Economic Analysis (BEA) in the National Income and Product Accounts. BEA introduced the Fisher formula for deflation of GDP in the mid-1990's, finding that it more accurately measures real economic change from period to period. (More specifically, chain-type measures remove "substitution bias.") A detailed explanation of the major strengths and weaknesses of chain weights is contained in articles on BEA's website at www.bea.doc.gov/bea/an1. (In particular, see "Conceptual Basis for Chain-type Measures.")

If the Census Bureau converts to a chained Fisher methodology, it would remove one of the major inconsistencies between the constant dollar merchandise trade data contained in this release and those that are included in the NIPA estimates of GDP. However, with chain-type measures, the totals will no longer equal the sum of their components. For time periods significantly removed from the base year, the difference between the sum of the components and the published totals can be quite large.

We would like to hear the views of our data users on whether we should adopt the chain-weighted approach. If you use the constant dollar data in Exhibits 10 and 11 of this release, please help us reach a decision by sending your comments via email to kathleen.j.puzzilla@census.gov or fax to (301) 457-2401. If you have any questions about this possible change, please contact Ms. Puzzilla on (301) 457-3251.

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